

**State of California**

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**Legislative Change No.**

**07-25**

Bill Number: AB 650 Author: Lieu and Jones Chapter Number: 07-606

Laws Affecting Franchise Tax Board: Part 10.3, Sections 19850, 19851, 19852, 19853, and 19854 of the Revenue and Taxation Code

Date Filed with the Secretary of State: October 13, 2007

SUBJECT: Earned Income Tax Credit Information Act/Employers Notify All Employees Of The Federal Earned Income Credit (EITC)

**Assembly Bill 650 (Lieu), as enacted on October 13, 2007, made the following changes to laws impacting the Franchise Tax Board:**

Part 10.3 (commencing with Section 19850) is added to Division 2 of the Revenue and Taxation Code.

Sections 19850, 19851, 19852, 19853, and 19854 are added.

This act shall be known as the Earned Income Tax Credit (EITC) Information Act.

This act requires any employer that is required to provide unemployment insurance to employees to notify all employees that they may be eligible for the EITC. The employer must give notification to the employee within one week before or after Form W-2 (Wage and Tax Statement) or Form 1099 (Miscellaneous Income) is given. This act also requires every employer to process the Form W-5 for advance payments of the EITC, if requested by the employee.

This act specifies the information that the employer must include in the notification that they provide to employees regarding the availability of the EITC.

This act is effective and operative January 1, 2008.

This act will not require any reports by the department to the Legislature.

Assistant Bureau Director

Patrice Gau-Johnson

Date

10/31/07